

MINUTES OF REGULAR MEETING
ILLINOIS GAMING BOARD
MARCH 21, 1995
CHICAGO, ILLINOIS

A Regular Meeting of the Illinois Gaming Board was held on March 21, 1995 in room 503 on the 16th floor of the James R. Thompson Center, Chicago, Illinois pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

The following Board Members were present: J. Thomas Johnson, Chairman; and Members Gayl S. Pyatt, J. William Roberts and Robert F. Vickrey. Member William B. Browder was not present.

In addition, Administrator Michael A. Belletire, Deputy Administrators Joseph C. Haughey and Thomas Swoik; the media and general public were in attendance.

Chairman Johnson called the meeting to order at 9:30 a.m. and the Board immediately adjourned to Closed Session pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act, to discuss the following subject matters:

1. Issues Concerning Applicants and Licensees
2. Recommendations of Administrative Law Judges
3. Pending and Probable Litigation Matters
4. Investigatory Matters
5. Personnel Matters
6. Closed Session Minutes

The motion was approved unanimously by voice vote and the Board retired to Closed Session at 9:32 a.m.

The Illinois Gaming Board reconvened in Open Session at 12:10 p.m. Four of the five members of the Board being present, a quorum was satisfied.

Ms. Pyatt moved that the minutes of the Regular Meeting of February 14, 1995 be approved as submitted. Mr. Roberts seconded the motion. The motion was approved unanimously by voice vote.

Mr. Roberts moved that the minutes of the Closed Session of February 14, 1995 be approved as submitted. Ms. Pyatt seconded the motion. The motion was approved unanimously by voice vote.

Nick Wilke, Audit Manager, reported on the status of the Minimum Internal Control Standards. Mr. Wilke stated that all ten owner licensees made timely submissions, and, as required re-submissions of their revised Internal Control Systems. The Control Systems of three licensees have been approved. Mr. Wilke stated that the remaining seven should be approved in early April.

The Administrator next presented the Cruise Disruption, Underage Gambling and Credit Reports. He pointed out that cruising issues for the months of January and February were largely a non-issue due to weather. He also discussed that FOIA request had been made for the names of specific individuals who had been granted credit and that staff had denied that request. He also stated that outstanding credit in excess of 30 days includes NSF Checks.

The Administrator reported that Kathy Spain was hired as Assistant to Deputy Administrator Swoik and will also serve as Legislative Liaison. Christine Takada was hired as Executive Assistant to the Administrator and Susan Offord was promoted to Secretary of the Board.

Deputy Administrator Thomas Swoik reported on the Gaming Board Budget. He stated that the operations budget for FY '96, not including annualizations for new agents, is at about the same level as FY 95. He further stated that the estimated transfer to the Educational Assistance Fund in FY 95 will be \$170.8 million.

Kathy Spain, Legislative Liaison, reported on the pending legislative matters. Ms. Spain indicated that 31 gaming related bills were introduced this year during the legislative session (fifteen in the House and sixteen in the Senate).

The Administrator lastly referenced that progress had been made on services for compulsive gamblers. He indicated that the first step of the process should be redirected towards developing an inventory and a network of agencies or clinicians or self-help organizations that are willing and able to assist the compulsive gambler.

Chairman Johnson next recognized Reverend Thomas Grey who expressed his concern over the compulsive gambling hotline not being started yet. He asked the Chairman to direct the Gaming Board staff to get a program in place immediately.

Mr. Roberts offered the following resolution, to wit:

BE IT RESOLVED:

The Board directs its Administrator to reinstitute a solicitation process relating to assistance for problem and compulsive gamblers. I would ask that the solicitation be directed toward selecting one or more qualified organizations to undertake the following:

Firstly, the identification and initial development of a statewide inventory and network of community based social service agencies, clinicians and self-help organization willing to serve as outlets for compulsive gambling referrals;

Secondly, to do an assessment of the extent to which persons with compulsive gambling problems are receiving services from these sources;

Thirdly, consistent with these steps develop a hotline or a similar method of linkage that provides for the referral of compulsive gamblers to available and interested organizations and services;

Fourthly, identification and subsequent implementation of a training initiative that expands the number of clinicians and organizations able to serve

the compulsive gambler and provides training for those providing referral services.

Mr. Roberts moved the adoption of the resolution. Ms. Pyatt seconded the motion. The motion was approved unanimously by voice vote.

The next order of business concerned Items Concerning Owner Licensees. The Chairman first recognized HP, Inc.

Mr. Joseph Duellman, President of HP, Inc., requested that the previously submitted financial restructuring plan be approved.

Ms. Pyatt moved that the Board approve the amendment of the loan covenants in HP, Inc.'s loan agreements with Bank of America and that the Board approve the cash contributions or in the alternative, shareholder loans made to HP, Inc. by two of the entity shareholders. Mr. Vickrey seconded the motion. The motion was approved unanimously by voice vote.

The Chairman next recognized Casino Queen, Inc.

Mr. John Janicik, counsel for the licensee, appeared and requested approval of a transfer of ownership interest.

Mr. Vickrey moved that the Board approve Casino Queen, Inc.'s request to transfer a portion of Charles W. Bidwill, III's ownership interest to Patricia Bidwill, Brian Bidwill and Shauna Valenzuela. Mr. Roberts seconded the motion. The motion was approved unanimously by voice vote.

The Chairman next recognized Southern Illinois Riverboat Casino.

Mr. Michael Ficaro, counsel for the licensee, appeared and requested approval of four Board of Directors.

Mr. Vickrey moved that the Board approve Marshall S. Geller, Howard A. Goldberg, Steven P. Perskie and Lee Siedler as Members of the Board of Directors of Player International, Incorporated. Ms. Pyatt seconded the motion. The motion was approved unanimously by voice vote.

The Chairman next recognized Alton Gaming Company.

Mr. Arnold Block, General Manager of Alton Gaming Co., appeared and requested approval of one Board of Director.

Mr. Vickrey moved that the Board approve Edward F. Brennan as a Member of the Board of Directors of Argosy Gaming Company. Ms. Pyatt seconded the motion. The motion was approved unanimously by voice vote.

The Chairman next recognized Elgin Riverboat Resort.

Mr. David Belding, Principal in Elgin Riverboat Resort, appeared and requested approval of an increase in boat capacity and a waiver of the two meeting rule in order to get immediate approval.

Mr. Vickrey moved that the Board waive its two meeting rule and consider Elgin Riverboat Resort's request to increase the capacity of its boat. Mr. Roberts seconded the motion. The motion was approved unanimously by voice vote.

Mr. Vickrey then moved that the Board approve Elgin Riverboat Resort's request to increase the capacity of the Grand Victoria. Mr. Roberts seconded the motion. The motion was approved unanimously by voice vote.

The next order of business concerned Initial Board Discussion Items.

Mr. Belding announced that the Elgin Riverboat Resort had entered into a definitive agreement to merge with Circus Circus Enterprises. He requested approval of this merger. The Board requested staff to evaluation this transaction.

The Chairman next recognized Southern Illinois Riverboat Casino.

Mr. Michael Ficaro and Mr. Jude Sullivan, counsel for licensee, appeared and requested approval of a senior note offering and approval to obtain a line of credit. The Board requested staff to draft an appropriate motion for consideration.

The Chairman next recognized NGC/Par-A-Dice.

Mr. John Janicik and Mr. Bob Venecko, counsel for licensee, appeared on behalf of National Gaming Corp. ("NGC") and Par-A-Dice to request approval of the acquisition of Par-A-Dice by NGC and the financing arrangements which relate to that and finally the suppliers license application of HFS Gaming Corp. The Board requested staff to continue the evaluation of this proposed transaction.

The next item of business concerned Occupational Licensing.

Ms. Pyatt moved that the Board approve the following applications for Occupational Licenses:

Level 1: Suzanne Rannie
Bernadette Hanson
David J. Murray
Fredricka Spruiell
William R. Davis
Gregg H. Solomon

Level 2: 163 applicants
Level 3: 220 applicants

and, further, that the Board deny the following applications for Occupational Licenses:

Level 2: 4 applicants
Level 3: 12 applicants

Mr. Vickrey seconded the motion. The motion was approved unanimously by voice vote.

The next order of business concerned Supplier's Licenses.

Mr. Vickrey moved that the Board approve Bud Jones Companies application for renewal of its supplier license. Mr. Roberts seconded. The motion was approved unanimously by voice vote.

Mr. Vickrey moved that the Board approve WMS Gaming, Inc.'s application for a Supplier's License. Ms. Pyatt seconded. The motion was approved unanimously by voice vote.

The next order of business concerned Administrative Hearings.

Mr. Roberts moved that the Board deny the request for hearing submitted by the following individuals in that these request failed to comply with Board Rule 3000.405:

Vincent Schulz
Regina Middlebrooks
Terrie Powell
James Strode

Ms. Pyatt seconded the motion. The motion was approved unanimously by voice vote.

Mr. Roberts moved that the Board deny Sylvester Reed's request for an extension of time to file an answer regarding disciplinary action number DC-95-3. Ms. Pyatt seconded the motion. The motion was approved unanimously by voice vote.

The next order of business concerned Investigations and Complaints.

Ms. Pyatt moved that a complaint for disciplinary action against Ronald Choate be issued and that Mr. Choate's license be revoked. The complaint involves Mr. Choate's illegal "capping" of a bet while gambling at Hollywood's Casino-Aurora. Mr. Roberts seconded the motion. The motion was approved unanimously by voice vote.

The next order of business concerned Policy Items.

The Administrator was authorized to provide for the Board a draft of rule change regarding Rules 3000.500 and 3000.510, to begin plans for an economic impact assessment process and, to draft for Board consideration, policies on disclosure of ownership information and on promotional coupons/tokens.

There being no further business to come before the Board, Ms. Pyatt moved that the Board stand adjourned. Mr. Vickrey seconded the motion. The motion was approved unanimously by voice vote and the Board stood adjourned at 2:30 p.m.

Respectfully Submitted,

Susan A. Offord
Secretary of the Board

